

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office
FLOOR DEBATE

March 26, 2001 LB 657

SENATOR PREISTER: Thank you, Honorable President. I would respectfully call the question.

SENATOR CUDABACK: Senator Preister, yours is the last light so there's no need for that. Thank you anyway. There are no further lights on. Senator Wickersham, did you wish to close on your amendment?

SENATOR WICKERSHAM: Mr. President, members of the body, I think we have wandered around a little bit in the discussion which is normal for us and I think is necessary on this bill. We haven't exactly focused on what the amendment to the amendment does. If you remember, the committee amendments would allow municipalities to issue bonds which would be dependent on the revenue stream that is to come from the dedicated cigarette tax. My concern is first of all with that bonding at all because that really looks through the glass, if you will, and allows the municipalities to bond state revenues when the state itself couldn't do that. But above and beyond that, I did not want us to get caught on a treadmill where we saw a succeeding series of bonds which then a municipality would come to us and say, look at, we bonded the revenues. And if you remove the revenue stream, my bonds will be in default. You cannot, you cannot remove the revenue stream. Well, if we're going to have bonding, at least let us keep it focused enough so that there is only an initial bond issued and then if necessary, refunding bonds. And if any bond is going to be issued that it be issued within two years of the effective date of the bill if the bill passes. That is the substance of the amendment to the amendment. It restricts that bonding opportunity by municipalities to two years after the bill passes, if it passes, and excepts out of that bond restriction refunding bonds which a municipality will occasionally engage in. If interest rates turn the right direction, they will issue new bonds to pay off the obligation on old bonds and obtain a lower interest rate. So refunding bonds are an appropriate mechanism to save money for taxpayers within jurisdictions where the bonds apply. I think that's entirely appropriate. We may have to figure out later on exactly what a definition of a refunding bond is, but that's for another debate. So despite my misgivings about the bill, despite my misgivings about the committee amendments, I do